



Flows

Water Infrastructure Finance Authority of Arizona Quarterly Newsletter

1st Annual Hopi Housing Summit (see Page 2)

Cash

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Janet Napolitano
Governor

WIFA *Cash Flows*
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"Arizona's water and
wastewater funding
source"

WIFA Chairman Owens Presents \$1.5M Construction Loan to Town of Taylor Also Presents WIFA Award to Town Manager

On October 3, Water Infrastructure Finance Authority (WIFA) of Arizona Chairman Steve Owens presented a \$1.5 million construction loan check to the Town of Taylor. Owens also presented a WIFA leadership award to Town Manager Stephen Sturgell at a meeting of the Apache and Navajo Counties Mayors and Council Members Association in Springerville.

The loan funds will be used to implement the town's Sewer Master Plan which includes the construction of a mechanical wastewater treatment plant on the existing wastewater treatment plant site. The new plant will have a capacity of 100,000 gallons per day. Additionally, the pumps, piping and associated hardware at the existing Cattle



WIFA Chairman Steve Owens presents a \$1.5 million construction loan check to Town of Taylor officials at an October check presentation ceremony.

Lane sewage pump station will be replaced due to their deteriorated condition and age.

"We are delighted to help the Town of Taylor develop infrastructure for its growing population," said Chairman Owens, who is also Director of the Department of

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WIFA Publishes Guide Assisting Arizona Communities in Setting Water and Wastewater Rates

In October, WIFA released the 2005 Water and Wastewater Residential Rate Survey for the State of Arizona to guide communities in setting and evaluating residential water utility rates.

"The survey is the most comprehensive comparison of residential utility rates in Arizona," said Chairman Owens, who is also Director of the Arizona Department of Environmental Quality. "Approximately 434 water systems and 122 wastewater systems, including municipalities and sanitary districts, participated in the survey."

According to the data collected by these systems, the monthly water charges for 7,500 gallons of water consumption ranged from \$5.22 for Grandview Water Co. to \$102.90 at Tonto Hills Utility. The average monthly charge for 7,500 gallons of water service was \$30.36, and the median monthly charge was \$27.75.

The monthly wastewater charges for 5,000 gallons of wastewater ranged from \$4.35 for the City of Tempe to \$80.00 for

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1st Annual Hopi Housing Summit

More than 600 Hopi people, village and tribal leaders, as well state and federal officials including WIFA attended the first Annual Hopi Housing Summit. The event was aimed at creating affordable, quality housing to the Hopi reservation. The summit, entitled "Working Together to Build Home", drew Hopi citizens, tribal, local, state and federal housing officials, utility companies, homebuilders and contractors to Kykotsmobi, Arizona on September 27 and 28.

The summit was held in response to the existing need for housing on the Hopi Reservation. The Hopi Tribal Housing Authority's 2005 Indian Housing Plan reported there was a demand for 1,436 affordable housing units for the Hopi people. Many of the existing homes are in serious disrepair. Additionally, the figures do not include the housing demands of non-Hopi citizens who live and work on the reservation.

Executive Director Jay Spector addressed the infrastructure panel. He explained to the over 35 attendees how WIFA's technical assistance and low-interest loan programs can help

*"We come together today -
Hopi people, members of tribal and
village government, state and federal officials,
businessmen and businesswomen -
to combine our resources - our many skills
and talents and knowledge - to bring quality,
affordable housing to the Hopi homeland."*

*Tribal Chairman Wayne Taylor Jr.
Opening address to summit attendees*

ease the financial costs of repairing, replacing or constructing new water and wastewater infrastructure.

WIFA provides technical assistance grants for the pre-design and design phase of project. Grants are competitively awarded each July and communities may receive up to \$35,000 in funds. WIFA's financial assistance loans save communities millions of dollars. WIFA's loan interest rates are lower as compared to conventional capital market rates.

In May of 2005, WIFA awarded a \$10,000 technical assistance grant to the Village of Lower Moencopi for the 2006 grant funding cycle. The award funds a system evaluation and feasibility study that examines the community's drinking water source.

WIFA looks forward to working with Hopi tribal leadership and other Hopi communities in the future. *CF*

WIFA Chairman Owens Presents \$1.5M Construction Loan to Town of Taylor
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Environmental Quality. "By investing in communities like Taylor, we are investing in Arizona's future."

Owens also presented Sturgell with WIFA's award for "Best Project Leadership by an Individual" for his efforts toward Taylor's Sewer Master Plan that includes the construction of a new sewer treatment plant and system improvements to the town's water system. Sturgell assisted in coordinating funding sources, working with design consultants and making sure that growth of the Town and the future needs of the community could

be met through the commission of a sewer master plan.

"Sturgell worked closely with community officials to facilitate improvements to Taylor's sewer system and his leadership is assisting the town in meeting the water quality needs of the community," said Chairman Steve Owens.

In 2003 the Town completed a feasibility study and rate analysis with partial funding from a \$10,000 WIFA Technical Assistance grant. In 2004, the Town explored that feasibility study and designed a sewer master plan with a \$156,333 WIFA design and engineering loan. Today's \$1.5 million loan begins the implementation of the Master Plan. *CF*

The Quarter Ahead

Nov. 1 Beginning of Public Review & Comment of Draft 2006 Financial Assistance IUP and PPL begins

Nov. 30 Ending of Public Review & Comment of 2006 Draft 2006 Financial Assistance IUP and PPL

Dec. 7 WIFA Committee Meetings

Dec. 14 WIFA Board of Directors Meeting*

Dec. 31 2005 CWSRF and DWSRF Cycle Ends

Jan. 1 2006 Financial Assistance Funding Cycle Begins

**Note that this month's board meeting takes place one week earlier to accommodate holiday schedules.*

Quarterly Loans Closed

Recent loan closings:

DWRF Loans:

Green Valley Domestic Water Improvement District, Amendment of \$400,000

Metro Domestic Water Improvement District, Tucson \$15,575,000

WIFA Update

New Staff **Melissa Hawkins** joined the WIFA staff in October as Business Manager. She was formerly employed for six and half years at the Arizona Corporation Commission in the Corporations Division. For fourteen years, Melissa has served the state of Arizona in various supervisory and purchasing positions.

WIFA 2006 Funding Cycle for Clean and Drinking Water Infrastructure Projects is Underway

As part of its continuing effort to provide financial assistance for Arizona's water and wastewater infrastructure, the Water Infrastructure Finance Authority of Arizona (WIFA) has begun preparation for the 2006 funding cycle for clean and drinking water infrastructure projects. This includes solicitation for clean and

drinking water state revolving fund priority lists for the 2006 funding cycle from wastewater and drinking water facilities.

By submitting an application to WIFA, eligible borrowers are included on the annual Project Priority List (PL), which is part of the clean and drinking water intended use plans. Being included on the PL is the first step to obtaining a loan with WIFA. Projects are given a priority value on the list based on public health factors, condition of drinking water or wastewater facilities, local fiscal capacity, prior year funding, and project benefits including water quality improvement, conservation index and consolidation / regionalization. The PL process ensures that those most need financial assistance receive funding.

The deadline to submit a CWRP and DWRP project application was Oct. 5; however WIFA's PL application procedure is a rolling process meaning that the WIFA Board of Directors approves projects for the Project Priority List as they receive the applications during the year. The WIFA Board of Directors meets six times per year in February, April, June, September, October and December.

Once your project is "ready to

proceed" (i.e. debt authorization from voters for a governmental entity or the Arizona Corporation Commission for a regulated utility) you will complete a Project Finance Application (PFA). WIFA staff will conduct the due diligence process once the completed PFA is received. The due diligence process consists of a legal, financial, environmental, technical and managerial review of the proposed project. Through the due diligence process, WIFA staff will help determine the loan amount you need and can afford.

Upon the completion of the due diligence process, WIFA staff will prepare your application for Board consideration. If the WIFA Board approves the loan request, WIFA staff will generate draft loan documents and set a loan closing date.

During the last 9 months, the WIFA Board of Directors approved more than \$19 million from Arizona's Clean Water Revolving Fund (CWRP) to wastewater and water reclamation facilities. The WIFA Board of Directors also approved more than \$72 million from Arizona's Drinking Water Revolving Fund (DWRP) to drinking water facilities.

For more information about WIFA's loan process or to obtain a clean or drinking water state revolving fund priority list application visit www.azwifa.gov. *CF*

2006 Financial Assistance Schedule

November 7, 2005

Circulation of Draft IUP / Public Comment Period Begins

November 18, 2005

Public Meeting / Public Comment Period Ends

December 7, 2005

WIFA Board Committee Meetings

December 14, 2005

Board Meeting to approve Final FA CWSRF and DWSRF IUPs

January 1, 2006

2006 FA Funding Cycle Begins

December 31, 2006

2006 FA Funding Cycle Ends

ABOUT THE WATER INFRASTRUCTURE FINANCE AUTHORITY OF ARIZONA

The Water Infrastructure Finance Authority of Arizona maintains and improves water quality in Arizona by providing communities and private water systems with access to low-interest financial assistance and technical assistance needed for basic water infrastructure. WIFA's funds are capitalized by contributions from the US Congress and the state of Arizona. As a leader in water infrastructure finance, WIFA has become a premier financial institution both in Arizona and nationally. Visit WIFA's Web site at www.azwifa.gov.

WIFA Publishes Guide Assisting Arizona Communities in Setting Water and Wastewater Rates Continued from Page 1

for 5,000 gallons of wastewater service was \$21.43, and the median monthly charge was \$17.43.

The survey is limited to the monthly base and usage charges assessed by Arizona utilities. No data was collected on the other charges involved with the provision of water and wastewater service, such as connection charges, tap fees, impact fees, stand-by charges, late charges, etc.

Nor is there any inclusion of sales taxes, sanitation charges or other fees that are sometimes included on a residential monthly water bill.

The report may be downloaded from WIFA's website at www.azwifa.gov. *CF*